

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN MATT MCCANN**, on January 8, 2001 at 8:00 A.M., in Room 350 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Matt McCann, Chairman (D)  
Rep. Dave Kasten (R)  
Sen. Jon Tester (D)  
Rep. Steve Vick (R)

**Members Excused:** None.

**Members Absent:** Sen. Bob Keenan, Vice Chairman (R)  
Sen. Tom A. Beck (R)

**Staff Present:** Jane Hamman, OBPP  
Andrea Hyatt, Committee Secretary  
Brian McCullough, Legislative Branch  
Christi Tyson, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 11, 1/5/2001  
Executive Action:

*{Tape : 1; Side : A; Approx. Time Counter : 0}*

**Jane Hamman, Office of Budget and Program Planning (OBPP)** introduced her assistant Christi Tyson.

**James Edgcomb, Department of Commerce (DOC) - Treasure State Endowment Program (TSEP)** defined further to the Committee the "target rates".

#### **HEARING ON HB 11**

**CHAIRMAN MCCANN** opened the hearing on **TSEP PROJECT NO.25 - EUREKA**.

**Proponents' Testimony:**

*{Tape : 1; Side : A; Approx. Time Counter : 52}*

Nancy Guccione, DOC-TSEP, reviewed the project and recommendation.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

Brian McCullough, Legislative Fiscal Division (LFD), questioned the schedule to advance this project forward or are they waiting for their Community Block Development Grant (CBDG) application? Nancy Guccione responded. REP. STEVE VICK & SEN. JON TESTER questioned the TSEP & CBDG funding. Nancy Guccione and Dave Cole responded. SEN. TESTER asked why the CBDG funding was shown on the chart when there was no funding from them in the beginning. Jane Hamman asked the Chairman if Mr. Edgcomb could clarify. Mr. Edgcomb explained this is the application as it was received; that TSEP has worked with the community since then and circumstances may have changed since that time.

CHAIRMAN MCCANN closed the hearing on TSEP PROJECT NO.25 - EUREKA.

*{Tape : 1; Side : A; Approx. Time Counter : 191}*

CHAIRMAN MCCANN opened the hearing on FROID, TSEP PROJECT #6, PG. 61.

**Proponents' Testimony:**

Nancy Guccione, DOC-TSEP, reviewed the project and recommendation.

Jeff Hintz, Interstate Engineering, provided a handout updating the original engineering report and testimony in favor of funding. EXHIBIT(jlh05a01)

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

SEN. TESTER had questions. Mr. Hintz responded. Brian McCullough asked what is the immediate way of preventing problems from occurring with overflow. Jeff Hintz responded. CHAIRMAN MCCANN questioned that if in the event the community does not receive

all the grants that have been applied for, are they prepared to take on additional loans. **Doug Urdahl**, Mayor of Froid, responded.

**CHAIRMAN MCCANN** closed the hearing on **FROID, TSEP PROJECT #6, PG. 61.**

**CHAIRMAN MCCANN** opened the hearing on **GARDINER, TSEP PROJECT #10, PG 85.**

*{Tape : 1; Side : A; Approx. Time Counter : 323}*

**Proponents' Testimony:**

**Mr. Edgcomb, DOC-TSEP**, reviewed the project and recommended funding in favor of their request.

**Patrick Murtagh, Montana Engineering & Administration**, provided handouts from the Gardiner Chamber of Commerce and the Department of Environmental Quality. **EXHIBIT(jlh05a02)** He provided a summary of the project.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. TESTER** had questions on pipe size and area it would cover. **Pat Murtagh** explained it would be ten inch and explained further details.

**CHAIRMAN MCCANN** closed the hearing on **GARDINER, TSEP PROJECT #10, PG 85.**

**CHAIRMAN MCCANN** opened the hearing on **KEVIN, TSEP PROJECT #19, PG. 139.**

*{Tape : 1; Side : A; Approx. Time Counter : 437}*

**REP. VICK** questioned the funding, is there a cap or has the dollar amount changed. **Jim Edgcomb, DOC-TSEP**, responded with how the funding dollar amounts are determined.

*{Tape : 1; Side : B; Approx. Time Counter : 12}*

**Nancy Guccione, DOC-TSEP**, reviewed the project and recommendation.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**CHAIRMAN MCCANN** questioned the definition of a wet well. **Ms. Guccione** responded.

**CHAIRMAN MCCANN** closed the hearing on **KEVIN, TSEP PROJECT #19, PG. 139.**

**CHAIRMAN MCCANN** opened the hearing on **LAVINA, TSEP PROJECT #9, PG. 79.**

*{Tape : 1; Side : B; Approx. Time Counter : 37}*

**Kim Hayes, DOC-TSEP,** reviewed the project and that it is recommended to receive funding.

**Bob Church,** engineer **Damschen-Entranco,** presented a visual of the wastewater facility and described the project.

**Jan Summers, Mayor of Lavina,** discussed the project and the needs for the funding; she also stated that three of the four council members were also present in the audience and are in favor of the project.

**Questions from Committee Members and Responses:**

**SEN. TESTER** asked the mayor if they are building the project with the a projected growth in the community and that it would match that growth. **Bob Church** responded. **CHAIRMAN MCCANN** questioned the mayor if they had a current water system. **Mayor Summers** explained their community currently relies on each household having a private well.

**CHAIRMAN MCCANN** closed the hearing on **LAVINA, TSEP PROJECT #9, PG. 79.**

**CHAIRMAN MCCANN** opened the hearing on **FAIRFIELD, TSEP PROJECT #32, PG. 209.**

*{Tape : 1; Side : B; Approx. Time Counter : 174 -197}*

**Proponents' Testimony:**

**Nick Rich, DOC-TSEP,** recommended funding contingent on funds being available. He reviewed the wastewater project.

*{Tape : 1; Side : B; Approx. Time Counter : 431}*

Nick Rich, DOC-TSEP stated he did not see any representatives from Fairfield in the audience. **CHAIRMAN MCCANN** stated that if they do show up later that the committee would hear them at that time.

Questions from Committee Members and Responses:

**CHAIRMAN MCCANN** questioned the target rate. **Nick Rich** responded. **Brian McCullough**, questioned the progress of the RV loan. **Rich Nick** and **Jim Edgcomb** responded.

*{Tape : 2; Side : A; Approx. Time Counter : 0}*

**Nick Rich** and **Jim Edgcomb** continued their response.

**CHAIRMAN MCCANN** closed the hearing on **FAIRFIELD, TSEP PROJECT #32, PG. 209.**

*{Tape : 2; Side : A; Approx. Time Counter : 20}*

**CHAIRMAN MCCANN** opened the hearing on **HAVRE, TSEP PROJECT NO. 31, PG. 203.**

Proponents' Testimony:

**Nick Rich, DOC-TSEP**, reviewed the project and recommended the grant.

**Annmarie Robinson**, deputy director for **Bear Paw Development**. She explained the benefits of this project and the impact in the area.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

*{Tape : 2; Side : A; Approx. Time Counter : 35}*

**REP. KASTEN** questioned the well depth. **Ms. Robinson** responded. **CHAIRMAN MCCANN** asked the location of the property to be annexed. **Ms. Robinson** responded. **SEN. TESTER** questioned the number of lots involved and if they have a growth policy. **Ms. Robinson** responded.

**CHAIRMAN MCCANN** closed the hearing on **HAVRE, TSEP PROJECT NO. 31, PG. 203.**

*{Tape : 2; Side : A; Approx. Time Counter : 85}*

**CHAIRMAN MCCANN** opened the hearing on **SHELBY, TSEP PROJECT NO. 26, PG. 175.**

**Jim Edgcomb, DOC-TSEP,** recommend the grant for Shelby; it was funded through a special session during the last legislature; it is authorized but they feel they will not have enough funding to provide it the funds, it is the last one on the authorized list. We recommend that if any funds should become available from the current biennium that the overall amount would be made available to Shelby. He further explained the project.

**Jim Richard, grant writer,** is here on behalf of Mayor Larry Bondarude. He explained the project and funding.

**Opponents Testimony:** None

**Questions from Committee Members and Responses:**

**CHAIRMAN MCCANN** asked what happened in the special session. **Jim Edgcomb** responded. **Brian McCullough,** questioned the funding package. **Jim Edgcomb** responded.

**CHAIRMAN MCCANN** closed the hearing on **SHELBY, TSEP PROJECT NO. 26, PG. 175.**

*{Tape : 2; Side : A; Approx. Time Counter : 172}*

The committee was ahead of schedule and the Essex representatives were in the audience and ready for their presentation, therefore the Essex hearing was brought forward, they will then go back to the schedule with Nashua.

**CHAIRMAN MCCANN** opened the hearing for **ESSEX, TSEP PROJECT NO.28, PG. 187.**

**Proponents' Testimony:**

**Jim Edgcomb, DOC-TSEP,** recommended a reduced grant of \$225,000.00 and reviewed the project. This is a joint hearing with DNRC Renewable Resource Grant & Loan (RRGL).

**John Beer, secretary-treasurer of CERCA water district** in Essex, reviewed the project.

**Pam Smith, DNRC-RRGL,** page 183. She reviewed the project and at this time do not recommend funding.

**Opponents' Testimony:** None.

**Additional Proponents' Testimony:**

**John Beer**, stated his concerns that they had only received the notice of the hearing on such a short notice.

**Questions from the Committee Members and Responses:**

**REP. VICK** asked if the committee had been informed of the RRGL process. **CHAIRMAN MCCANN** requested **Bob Fischer, DNRC-RRGL** to give a quick outline of the RRGL program. **Mr. Fischer** responded. Questions were answered.

**CHAIRMAN MCCANN** closed the hearing for **ESSEX, TSEP PROJECT NO.28, PG. 187.**

**CHAIRMAN MCCANN** opened the hearing for **NASHUA, TSEP PROJECT NO. 7, PG. 67.**

*{Tape : 2; Side : B; Approx. Time Counter : 108}*

**Proponents' Testimony:**

**Kim Hayes, DOC-TSEP**, reviewed the project and recommended funding. This is a joint project with RRGL.

**Patrick Murtagh, Montana Engineering & Administration**, provided background on the project and **EXHIBIT(jlh05a03)**.

**Bob Fischer, DNRC-RRGL**, their Project No. 26 , pg. 79, discussed the project and recommended funding.

**Duane Tihista, Mayor of Nashua**, explained the need for funding.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. VICK** questioned the target rate. **Pat Murtagh**, responded. **Mayor Duane Tihista** provided further information.

**CHAIRMAN MCCANN** closed the hearing for **NASHUA, TSEP PROJECT NO. 7, PG. 67.**

**Brian McCullough, LFD**, provided the Governor's Budget State of Montana Fiscal Years 2002-2003 Volume 4 and Reclamation and Development Grants Program **EXHIBIT(jlh05a04)** and the Governor's Budget State of Montana Fiscal Years 2002-2003 Volume 5 Renewable Resource Grant and Loan Program **EXHIBIT(jlh05a05)**.

**CHAIRMAN MCCANN**, opened the hearing on **FLORENCE, TSEP PROJECT NO. 13, PG. 103.**

*{Tape : 2; Side : B; Approx. Time Counter : 287}*

**Proponents' Testimony:**

**Nancy Guccione, DOC-TSEP**, reviewed the project and the department's recommendation. This is also a joint project with RRGL.

**Bob Fischer, DNRC-RRGL**, provided background on their Project No. 11, pg. 39.

**Scott Anderson, Anderson Montgomery Engineers**, worked on the preliminary engineering and did grant application. He provided background on the project using visuals.

**Don Round**, member of the **sewer district board**, explained the project further.

**Margie O'Brien, excavation owner**, provided background on the sewers in the area.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. TESTER** and **CHAIRMAN MCCANN** had questions. **Scott Anderson** and **Don Round** responded.

**CHAIRMAN MCCANN**, closed the hearing on **FLORENCE, TSEP PROJECT NO. 13, PG. 103.**

**CHAIRMAN MCCANN** opened the hearing on **GERALDINE, TSEP PROJECT NO. 15, PG. 113.**

**Proponents' Testimony:**

*{Tape : 3; Side : A; Approx. Time Counter : 85}*

**Kim Hayes, DOC-TSEP**, reviewed the project and the department's recommendation. This is also a joint project with RRGL.

**Pam Smith, DNRC-RRGL**, Project No. 20, Pg. 63, they recommended funding.



**Annmarie Robinson, Bear Paw Development,** provided background on the project.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:** None.

**CHAIRMAN MCCANN** closed the hearing on **GERALDINE, TSEP PROJECT NO. 15, PG. 113.**

*{Tape : 3; Side : A; Approx. Time Counter : 130}*

The committee was ahead of schedule and brought forward the Polson hearing, they will then go back to the schedule with Kalispell.

**CHAIRMAN MCCANN** opened the hearing on **POLSON, TSEP PROJECT NO. 38, PG. 243.**

**Proponents' Testimony:**

**Jim Edgcomb, DOC-TSEP,** does not recommend funding because the application was not complete, it did not have a preliminary report. He discussed further the problems with the application. Questions were asked and answered.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:** None.

**CHAIRMAN MCCANN** closed the hearing on **POLSON, TSEP PROJECT NO. 38, PG. 243.**

**CHAIRMAN MCCANN** opened the hearing on **KALISPELL, TSEP PROJECT NO. 37, PG. 237.**

*{Tape : 3; Side : A; Approx. Time Counter : 221}*

**Proponents' Testimony:**

**Nancy Guccione, DOC-TSEP,** reviewed the project and the department's recommendation. This is also a joint project with RRGL.

**Bob Fischer, DNRC-RRGL,** provided background on their Project, pg. 189.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**REP. KASTEN** asked who owned Section 36. **Ms. Guccione** responded.

**CHAIRMAN MCCANN** closed the hearing on **KALISPELL, TSEP PROJECT NO. 37, PG. 237.**

**REGIONAL WATER PROJECT PRESENTATIONS:**

***{Tape : 3; Side : A; Approx. Time Counter : 279}***

**Jim Edgcomb** stated that he is providing information on the two Regional Water Projects; one is the North Central Regional Project and the other is Ft. Peck Prairie Project.

***{Tape : 3; Side : A; Approx. Time Counter : 311}***

**Rick Duncan**, Regional Water Systems Coordinator for the Conservation Resource Development Division of DNRC, provided background on the projects.

***{Tape : 3; Side : A; Approx. Time Counter : 350}***

**Rick Knick**, Chairman of Dry Prairie Rural Water, provided a handout, **EXHIBIT(jlh05a06)**, and discussed the project. He responded to questions asked.

***{Tape : 3; Side : A; Approx. Time Counter : 409}***

**Annmarie Robinson**, North Central Regional Water Systems coordinator, she provided a handout **EXHIBIT(jlh05a07)** and discussed the project.

***{Tape : 3; Side : A; Approx. Time Counter : 479}***

**Steve Wade**, on behalf of **Montana Rural Water Systems**, discussed the importance of infrastructure.

***{Tape : 4; Side : A & B; Approx. Time Counter : 0}***

**John Tubbs**, Department of Natural Resources and Conservation (DNRC), provided an informational overview of the Regional Water Projects and the funding. The \$3 million for this program is separate from all other funds appropriated today.

The committee asked questions and received responses.

The meeting was adjourned.

**ADJOURNMENT**

Adjournment: 12:15 P.M.

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REP. MATT MCCANN, Chairman

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ANDREA HYATT, Secretary

MM/AH

**EXHIBIT** (j1h05aad)